

Message Text

CONFIDENTIAL

PAGE 01 BUCAR 03349 190225Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 DOTE-00 DOE-15
SOE-02 AGRE-00 PA-01 /094 W
-----025977 200012Z /73

R 180737Z MAY 78
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 9598
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUDAPEST
USMISSION GENEVA
AMEMBASSY MOSCOW
AMCONSUL MUNICH
USMISSION USNATO
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

C O N F I D E N T I A L BUCHAREST 3349

NOFORN

FOR USMTN DEL GENEVA

E.O. 11652: GDS
TAGS: EALR, ECSM, ELAB, RO
SUBJ: MORE PRICE INCREASES ON THE WAY?
REFS: (A) BUCHAREST 3313, (B) BUCHAREST 3256, (C) IR NO:
2214 0233 78 (PG 1931) NOTAL

1. IN CONVERSATION WITH DCM MAY 17, POLISH DCM HENSCHKE
SAID ROMANIANS ARE CONDUCTING PRICE INCREASE OPERATION VERY
WISELY, IN ANY CASE BETTER THAN POLES HAD IN 1976, HE
VOLUNTEERED. POLES HAD NO INDICATIONS OF POPULAR DISCONTENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUCAR 03349 190225Z

SO FAR, AND ONE AREA WHERE PUBLICLY ANNOUNCED PRICE RISES
COULD CAUSE TROUBLE--MASS TRANSPORTATION--WAS ALSO WHERE
PRIOR "DISCUSSIONS" WITH WORKERS' COLLECTIVES ARE PLANNED,
ONCE AGAIN DEMONSTRATING SENSITIVITY AND FLEXIBILITY.
AT SAME TIME, HENSCHKE SAID, HE UNDERSTOOD REGIME HAD
ALSO PLANNED TO RAISE PRICES FOR OIL AND OIL PRODUCTS,
AND THIS COULD CAUSE SERIOUS PROBLEMS WITH POPULATION,

SINCE FIFTY PERCENT OF HOME HEATING AND THERMOELECTRIC POWER PLANTS' FUEL IS SUPPLIED BY OIL. INCREASE HAS THEREFORE BEEN PUT OFF "FOR A FEW MONTHS," HE HAD BEEN TOLD. HE CLAIMED TO HAVE NO IDEA OF HOW STEEP AN INCREASE HAS BEEN CONTEMPLATED.

2. COMMENT. REF C REPORTS TIMISOARA AREA IS EXPERIENCING GASOLINE SHORTAGE. SOME LOCAL RESIDENTS APPARENTLY BLAME AUTHORITIES FOR HOLDING BACK SUPPLIES IN ANTICIPATION OF PRICE INCREASE. WE HAVE NO INFORMATION TO CONFIRM THIS REPORT BUT NOTE THAT PRIOR TO RECENT PRICE HIKE FOR COFFEE AND OLIVES (REFTEL B) SHORTAGES FOR THEIR GOODS WERE WIDESPREAD. IMMEDIATELY AFTER PRICE HIKE SUPPLIES INCREASED SHARPLY. TO DATE NO OFFICIAL PRONOUNCEMENTS ON PRICE INCREASES FOR OIL OR OIL PRODUCTS HAVE BEEN FORTHCOMING. CONCERNING HENSCHKE'S COMMENT THAT INCREASE COULD CAUSE SERIOUS PROBLEMS WITH POPULATION, WE WOULD PREFACE THIS NOTION WITH TWO POINTS:

(A) TOLERANCE OF POPULATION TO THESE TYPES OF ISSUES HAS PROVEN TO BE QUITE HIGH,

(B) FUEL OIL PRODUCTS ARE HEAVILY SUBSIDIZED BY GOR AND EVEN SUBSTANTIAL PRICE INCREASE IN HEATING BILLS, UP TO 50 PERCENT, WOULD LEAVE PRICE LOW RELATIVE TO NEIGHBORING COUNTRIES AND WELL WITHIN MEANS OF AVERAGE FAMILY BUDGET, ALTHOUGH PENSIONERS WOULD BE ADVERSELY AFFECTED.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUCAR 03349 190225Z

AGGREY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRICE INDEXES, ECONOMIC PROGRAMS, FINANCIAL TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUCHAR03349
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780212-0248
Format: TEL
From: BUCHAREST
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780546/aaaabmwk.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ddd4309b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: NOFORN
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: NOFORN
Reference: 78 BUCHAREST 3313, 78 BUCHAREST 3256
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2655601
Secure: OPEN
Status: NATIVE
Subject: MORE PRICE INCREASES ON THE WAY?
TAGS: EALR, ECSM, ELAB, RO
To: STATE USMTN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ddd4309b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014